

HCS SCS SB 212 & 220 -- KANSAS CITY POLICE RETIREMENT; HIGHWAY PATROL

SPONSOR: Bartle (Johnson, 47)

COMMITTEE ACTION: Voted "do pass by consent" by the Committee on Local Government by a vote of 16 to 0.

Regarding the Kansas City Police Retirement System, this substitute:

- (1) Requires benefits and conditions to always be adjusted to qualify for tax-exempt status;
- (2) Requires a member's benefits to be 100% vested and nonforfeitable upon the member's attainment of the normal retirement age;
- (3) Requires the distribution of retirement benefits to begin no later than April 1 of the year following the calendar year during which the member becomes 70 1/2 years of age;
- (4) Prohibits benefits in excess of the limits set by Section 415 of the Internal Revenue Code;
- (5) Limits the total salary taken into account for any purpose for any member to no more than \$200,000 per year, subject to adjustments permitted by the Internal Revenue Code;
- (6) Gives the Kansas City Police Retirement Board authority to change actuarial assumptions at any time annually, but a change in actuarial assumptions may not result in any decrease in benefits accrued as of the effective date of the change;
- (7) Allows a member or beneficiary to transfer an eligible rollover distribution to another eligible retirement plan;
- (8) Gives the board authority to provide fiduciary liability insurance;
- (9) Makes other changes to conform with the Internal Revenue Code;
- (10) Changes the requirements for the five elected members of the board. If Kansas City has established a Civilian Employees' Retirement System of the police department, the substitute requires the elected members to consist of three restricted members and two open members. The three restricted members will consist of a retired member, an active member below the rank of sergeant, and a civilian member. If Kansas City has not

established a Civilian Employees' Retirement System of the police department, three members will be open members. (Kansas City has established a Civilian Employees' Retirement System.) Open members will have no qualification requirements. Current law has no requirement that the board have an open member. The substitute outlines a staggered election process;

(11) Allows members of the police retirement system and the civilian employees' retirement system to receive a partial lump-sum option payment;

(12) Makes the board a state agency for the purpose of the administrative procedure and review process;

(13) Requires the Kansas City Police Department to grant authorized leave with pay to active police officers and civilian employees who attend educational seminars and similar functions for a period not to exceed 10 days in any calendar year;

(14) Authorizes the City of Kansas City and the Kansas City Police Department, if they adopt a program of incentives to encourage early retirement of members or civilian employees, to administer and pay the incentives established by the program. This provision is contingent upon the city requesting and agreeing to increase financial contributions to the police retirement system; and

(15) Requires a funeral benefit of \$1,000 to be paid in addition to all other benefits for a civilian employee. Proper proof of death is required. If the funeral benefit for a civilian employee is less than the employee's accumulated contributions, an amount equal to the difference is required to be paid to the employee's designated beneficiary or personal representative.

The substitute also requires the Superintendent of the State Highway Patrol to submit a salary schedule report to the Governor, Speaker of the House of Representatives, and the President Pro Tem of the Senate.

FISCAL NOTE: No impact on state funds.

PROPONENTS: Supporters say that the substitute expands benefits that may be offered to Kansas City police to include early retirement and a partial lump sum option. The substitute also brings state law into compliance with Internal Revenue Service changes.

Testifying for the bill were Senator Bartle; and Representative Behnen.

OPPONENTS: There was no opposition voiced to the committee.

Steve Bauer, Legislative Analyst